

## REMARKS

### Introductory Remarks

Reconsideration and further examination of the subject patent application in light of the present Amendment and Remarks is respectfully requested.

### Rejection Under 35 U.S.C. §102(e)

Claims 1-13 and 141-152 stand rejected under 35 U.S.C. §102(e) as being anticipated by Petteruti, as set forth in paragraph 1-2 of the Office Action. In view of the new claims as presently set forth in this amendment, applicant respectfully traverses this rejection. Although the claims upon which the Examiner bases his rejection have been cancelled, applicants will nonetheless address the Petteruti reference.

Applicants submit that the Petteruti reference is not relevant to the new claims as set forth herein and further, that Petteruti is not relevant to the subject matter of cancelled claims 1-13 and 141-152. The new claims and cancelled claims 1-13 and 141-152 are directed to an apparatus that includes an on-demand print capability, and the capability of selectively applying, or not applying, on demand, a value adding element, such as an RFID transponder or other element, to a selected label, ticket, tag, card or other media sample. The device in Petteruti does not have this capability.

Applicants' claimed invention represents a fundamental departure from known systems, such as that disclosed in Petteruti, which merely have the capability of printing on and encoding media samples that already have a transponder attached. The Examiner cites Col. 3, lines 4-7 of Petteruti as disclosing means for attaching value adding devices. However, a careful reading of that passage reveals otherwise. In Petteruti, the media 16 indeed has RFID circuits 16a coupled thereto, however, they are not coupled in the Petteruti printer, but rather come attached in rolls or

fan-folds of smart labels.

In describing the invention, Petteruti states that:

The media is stored in a compartment in the housing on a roll or fan-fold in which multiple RFID circuits are provided along the length of the media. The programmed controller in the housing operates, responsive to communication received from a host terminal or computer, to send information to the print head to print information on the media and/or information to the encoder to encode the RFID circuit, via the antenna of the encoder." (Col. 2, lines 16 - 23).

It is clear then that the Petteruti printer prints and encodes labels with transponders already attached. Petteruti lacks any disclosure or suggestion that the printer itself could receive blank labels and strips of transponders and selectively on demand apply and encode a transponder to a particular label and not to other labels. Every label passed through the Petteruti printer must have a transponder because each label on the supply web of labels contains a transponder.

Accordingly, the Petteruti reference does teach or disclose an on-demand print apparatus capable of selectively applying, or not applying, on demand, a value adding element, such as an RFID transponder or other element, to a selected label, ticket, tag, card or other media sample. Because this element is completely missing from Petteruti, Petteruti cannot anticipate applicants' claimed invention. Accordingly, applicants assert that the new claims are allowable over Petteruti and that claims depending from the new claims, respectively are allowable as depending from allowable base claims.

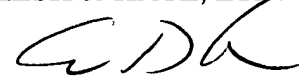
For the foregoing reasons, applicants submit that the subject application is in condition for allowance and earnestly solicit an early Notice of Allowance. Should the Examiner be of the opinion that a telephone conference would expedite prosecution of the subject application, the Examiner is respectfully requested to call the undersigned at the below-listed number.

The Commissioner is hereby authorized to charge any additional fee which may be required for this application under 37 C.F.R. §§ 1.16-1.18, including but not limited to the issue fee, or credit any overpayment, to Deposit Account No. 23-0920. Should no proper amount be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal, or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 23-0920. A duplicate copy of this sheet(s) is enclosed.

Respectfully submitted,

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By:



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